

The Gazette of India

EXTRAORDINARY PART II—Section 3 PUBLISHED BY AUTHORITY

No. 320 NEW DELHI, TUESDAY, OCTOBER 30, 1956

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 29th October 1956

S.R.O. 2513.—In exercise of the powers conferred by sub-section (7) of Section 102 of the States Reorganisation Act, 1956 (37 of 1956), the Central Government after consulting the Governments of the existing States of Bombay and Saurashtra hereby makes the following Order, namely:—

1. **Short title and commencement.**—(1) This Order may be called the Bombay State Financial Corporation Order, 1956.

(2) It shall come into force on the 1st day of November, 1956.

2. **Definitions.**—In this Order—

- (a) "Act" means the State Financial Corporations Act, 1951 (63 of 1951);
- (b) "Board" means the Board of Directors of the Bombay State Financial Corporation;
- (c) "Financial Corporation" means the Bombay State Financial Corporation.

3. **Name of the Financial Corporation.**—The Financial Corporation established for the State of Bombay on the amalgamation of the Financial Corporations established for the existing States of Bombay and Saurashtra under sub-section (6) of Section 102 of the States Reorganisation Act, 1956 (37 of 1956), shall be called the Bombay State Financial Corporation.

4. **The Board.**—The Board shall consist of the following persons who shall be deemed to have been nominated or elected, as the case may be, by the State Government of Bombay or by the respective parties shown against their names:—

- | | |
|---|---|
| (i) Shri Purshottam Kanji | } Nominees of the Government of Bombay. |
| (ii) Shri J. S. Parikh; | |
| (iii) The Director of Industries, Bombay. | |
| (iv) Shri B. Venkatappiah, Dy. Governor, | |
| Reserve Bank, Bombay. | } Nominee of the Central Board of the Reserve Bank of India; |
| (v) Shri A. Chatterjee, Manager, Industrial Finance Corporation of India, Bombay. | } Nominee of the Board of Directors of the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948); |
| (vi) Shri P. V. Gandhi | } parties referred |
| (vii) Shri D. V. Potdar | |

(viii) Shri Shankarrao Kirloskar

other financial institutions ; to in clause (c) of sub-section (3) of section 4 of the Act;

(ix) Shri P. H. Bhutta parties referred to in clause (d) of sub-section (3) of section 4 of the Act ; and who shall be the Managing Director.
Shri R. S. Bhatt

(2) Shri Purshottam Kanjl shall be the Chairman of the Board.

(3) The Managing Director shall receive the same salary and allowances as he was receiving immediately before the 1st November, 1956, as the Managing Director of the Financial Corporation established under the Act for the existing State of Bombay and shall hold office until 31st October, 1957.

(4) The Directors, other than the Managing Director, shall hold office until the Board is reconstituted in accordance with the provisions of section 10 of the Act.

5. Auditors.—The following shall be the auditors of the Financial Corporation for the year 1956-57, namely:—

1. Messrs P. C. Hansotia & Co.

2. Messrs Sanghvi & Co.

3. Messrs K. S. Aiyer & Co.

} Appointed by the State Govt. in consultation with the Comptroller & Auditor General of India.
Elected by the Share-holders.**6. Authorised capital of the Financial Corporation.**—The authorised capital of the Financial Corporation shall be Rs. 4 crores divided into shares of Rs. 100 each. The issued and paid up capital shall be Rs. 2 crores and shall be deemed to have been distributed amongst the parties mentioned in sub-section (3) of Section 4 of the Act in the manner following:—

	Shares
(a) the State Government of Bombay]	57,000
(b) the Reserve Bank	30,050
(c) Scheduled Banks, insurance companies, investment trusts, Co-operative banks or other financial institutions. .	98,460
(d) other parties	14,490

7. Head Office.—The head office of the Financial Corporation shall be at Bombay and there shall be a branch office at Rajkot.**8. Guarantee of shares.**—The Shares of the Financial Corporation shall stand guaranteed by the Government of Bombay as to the repayment of the principal and the payment of annual dividend at a minimum rate of 3½ per cent.**9. Property, contracts and pending proceedings.**—(1) All rights, powers, authorities and privileges and all property, moveable and immoveable, and all other interests and rights in, or arising out of, such property, and all assets and liabilities including all debts and obligations of whatever kind of each of the Financial Corporations established under the Act for the existing States of Bombay and Saurashtra shall stand transferred to and be vested in the Bombay State Financial Corporation on and from the 1st November, 1956.

(2) All contracts, deeds, bonds, agreements, powers of attorney and other instruments of whatever nature subsisting or having effect immediately before the 1st November, 1956, and to which the Financial Corporations established under the Act for the existing States of Bombay and Saurashtra are parties, or which are in favour of the said Corporation shall be as of full force and effect against or in favour of the Bombay State Financial Corporation.

(3) If on the 1st November, 1956 any suit, appeal or other legal proceeding is pending by or against any of the Financial Corporations established under the Act for the existing States of Bombay and Saurashtra the same shall not abate but may be continued by or against the Bombay State Financial Corporation.

10. Officers and employees.—Every officer or other employee in the employment of the Financial Corporations established under the Act for the existing States of Bombay and Saurashtra shall, on and from the 1st November, 1956, become an officer or other employee, as the case may be, of the Bombay State Financial

Corporation and shall continue in service therein by the same tenure, at the same remuneration and upon the same terms and conditions applicable to him immediately before the 1st November, 1956, until his employment is duly terminated or until his remuneration and terms or conditions of service are duly altered by the concerned authority of the Bombay State Financial Corporation.

11. Employees Provident Fund.—The persons who immediately before the 1st November, 1956, are the administrators of the Fund called (1) the Bombay State Financial Corporation Employees' Provident Fund, (2) the Saurashtra State Financial Corporation Employees' Provident Fund shall continue to be the Administrators thereof until new Administrators are appointed.

12. Rules.—Subject to any rules that may be made by the Government of Bombay State under Section 47 of the Act, the rules made under the said section by the Government of Bombay in respect of the Financial Corporation established under the Act for the existing State of Bombay shall, as far as may be, apply to the Bombay State Financial Corporation.

13. Regulations.—Subject to any regulations that may be made under section 48 by the Board, the regulations made under the said section by the Board of directors of the Financial Corporation established under the Act for the existing State of Bombay shall, as far as may be, apply to the Bombay State Financial Corporation.

14. Declaration of fidelity and secrecy.—Every declaration of fidelity and secrecy made to the Financial Corporations established under the Act for the existing States of Bombay and Saurashtra shall, on and from the 1st November, 1956, be deemed to be such a declaration made to the Bombay State Financial Corporation.

[No. F.9(15)Corp./56.]

M. R. BHIDE, Joint Secy.

